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INDIAN EX-SERVICES LEAGUE

PENSION MEMORANDUM

1979

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PENSION MEMORANDUM

The Indian Ex-Services League had approached the Government in respect of the pension grievances of Ex-Servicemen, especially, those who had retired before 1 January, 1973 as the increased pensionary benefits effective since that date had eluded the living pre January, 1973 pensioners. The April, 1979 decision to increase pensionary benefits by revising the existing formula for future pensions has completely ignored the living pre 1 January, 1973 pensioners as well as the post 1 January, 1973 pensioners. In view of this the Indian Ex-Services League feel it imperative that a fresh Pension Memorandum, summarising all the pension issues be submitted to the Central Government for their consideration.

The inescapable responsibility of the League taking up this issue with the Government again is on account of the fact that the pensions, whether it is a SERVICE PENSION, FAMILY PENSION or even DISABILITY PENSION sanctioned by the Government to the Defence Personnel retired before April, 1979 is not need based automatic or periodic pension increase is given on the changing cost of living index, 16 are in Western Europe, 5 in Eastern Europe 2 in North America, 10 in Central and South America 5 in Asia and Oceania and 8 in Africa.

The League which represents all the Ex-Servicemen in this Country, with its branches in the States have found that there is a lot of discontentment amongst the Ex-Servicemen on this disparity. Our members of the Executive and Council on their tours and on attending Ex-Servicemen Rallies throughout the country have invariably found that the Ex-Servicemen are very bitter and agitated on this score. It is pertinent to remember that Todays' Servicemen is Tomorrows' Ex-servicemen, and, it will not be long before this discontentment is voiced by the Servicemen.

The aim of this Memorandum, therefore, is again to secure justice and fair deal in the matter of pensions granted to Ex-Servicemen from time to time. It is in this light that the following suggestions are respectfully submitted.

REVISION OF PENSION RULES

The revised Pension Code incorporating rates

and rules in respect of pensionary benefits of Service Personnel was introduced with effect from 1-6-1953 and was based on rates of Pay and other service conditions in force at the particular time of their retirement.

On the recommendations of the Third Pay Commission the rates of pension of Armed Forces Personnel have been revised in 1973. Again in April, 1979 these rates have been further revised. The basis of grant was the rates of pay drawn by them on or after that date.

The revised rates of pay in both the above cases were naturally based on the Price Index then prevailing in the Country. Consequently, there is an obvious lacuna in basing the grant of pension on rates of pay then prevailing, in the sense that the current rise in Price Index affects every pensioner uniformly, and, to perpetuate disparity in pension on the principle of rates of pay of those who retire before and after a particular date is NOT justified. This anomaly is illustrated by the following examples :-

(a) A Risaldar who retired just before independence did so with a pension of Rs. 70/-

in relation to Price Index prevalent in the Country, even after taking into account Ad-hoc and Periodical reliefs allowed by the Government.

The announcement of revised Pay and Pension by the Government are the result of surrender to contemporary pressures, but, collectively fail past sufferers who are unable to exert pressures. This trait is at variance with the working of civilised welfare oriented democratic Governments in the World. Whenever the stepping up of pension was called for by the rising cost of living index, for instance in UK, a Pension Increase Act was passed in 1920, 1924, 1944, 1948, 1949, 1952, 1954, 1956, 1959, 1962, 1965 and 1969. In 1971 the basis of pension increases was institutionalised by passing the U.K. Pensions Increases Act, 1971, in which a set of multipliers was formulated for converting the basic rate of earlier pensions to the 1969 standards. This was done at a time when the British Ex-chequer showed the National finances to be grossly in the red.

In no Welfare Country is financial stringency cited as an excuse for denying increase in pensions called for by an inordinate rise in the cost of living index. Of the 46 Countries where

p.m. With the increased Ad-hoc DA's his total pension today is Rs. 130/- p.m. as against Rs. 550/- p.m. of a Risaldar retiring after March, 1979.

(b) A Lt-Colonel who retired prior to Jan, 1973 gets a monthly pension of Rs. 625/- whereas a Risaldar Major retiring in 1979 would receive a pension of Rs. 646/- p.m.

(c) While a Major under the pre-1971 rules draws a pension of Rs. 550/- p.m., a Risaldar retiring after March, 1979 will receive Rs. 550/-. On the other hand a Major under the Post March, 1979 rules will receive a pension of Rs. 975/-; almost double the old rates.

(d) It is not fair to have different rates of pension for the same rank based on date of retirement as the following example will show :-

" Major 'A' and 'B' joined the service in the same unit on the same date and under the same terms and conditions, but, subsequently rules changed the terms and conditions to the disadvantage of Major 'A' who happened to be older in age than Major 'B' and retired earlier".

jusitifiable. The price index affects the pensioners much more than the serving personnel, simply because their commitments like education and the marriages of their children are at their peak. Furthermore, when purchases are to be made in the market-the commodities are available at the same rates to both. The price makes no allowance for the retired personnel.

It is, therefore, incumbent on the Welfare Government as a welfare measure to grant same rates of DA/Ad-hoc relief to pensioners as to service pensionnel and at the same rise in Price Index.

The payment of DA instalments be expedited. Prompt payment will relieve much hardships and restore confidence in the system which appears to be flagging due to undue delay in payment.

RESTORATION OF COMMUTED PORTION OF PENSION

At the time of retirement a pensioner is given the option of commuting his pension upto a maximum of 50% for 10 to 14 years depending on the age at which retirement takes place. Most

harsh on the living pensioners who have outlived their commutation period and are struggling to live in their old age. The Committee desires the Government to consider this aspect of the matter from a humanitarian than a strictly legal point of view, in order to mitigate their hardships..... They shold review the whole scheme of commutation of pensioners at a higher level".

FAMILY PENSION

The Government was kind enough to increase minimum Ordinary Family Pension. Earlier in the case of death of Armed Forces Pensioners prior to 1-1-1964 no Ordinary Family Pension was granted to the widows/dependents.

With the passage of time, the number of such Armed Forces Pensioners is very limited and their widows if still living are too old even to fall in the category of Old Age Pensioners. In order to alleviate their pecuniary circumstances, especially during the present day high cost of living, it is requested that Ordinary Family Pension may also be granted to the widows of such personnel who came on pension prior to 1-1-1964 as was done in the case of those who retired after 1-1-1964.

RESTORATION OF AD-HOC INCREMENTS

Those personnel who are re-employed by Government after retirement lose the benefit of the Ad-hoc increment reliefs granted to pensioners. When they finally retire from their employment on superannuation, it takes very long for the restoration of these ad-hoc reliefs. It is requested that Government instructions/ orders be issued for the immediate restoration of ad-hoc relief when they finally retire.

CONCLUSION

The Ninth Report of the Committee on Petitions (Sixth Lok Sabha) regarding grievances and demands of pensioners that the Government owes a moral responsibility to provide adequate relief to retired employees including pre 1 Jan, 1973 pensioners from purely humanitarian considerations if not from the standard point of fairness and justice, to protect the actual value of their meagre pensions to enable them to live their declining years with dignity and in reasonable comfort.

The Ex-Servicemen in accordance with the traditions of the Services have always been loyal

pensioners do so since their multifarious domestic and personal responsibilities at that time require them to have a lump sum in cash — to reorient and begin a new life. After meeting these commitments very little of the commuted pension is left with them for profitable investment. They, therefore, live long years on half of their pension.

This is highly inequitable. If a man outlives his commutation period the Government should restore his full pension. The period of commutation in view of the increased life span may also be increased.

The talk of a 'Contract' between the Government and the individual, for commutation of pension should NOT come in the way of restoring the commuted part of his pension, when the Government has already taken back from him not only the principal amount, but, also the interest thereon.

In this respect the Ninth Report of the Committee on Petitions (Sixth Lok Sabha) has remarked :-

" While this (the Government position) has its merit from a strictly legal point of view, it is

These obtrusive anomalies are considered irrational and tend to humiliate vis-a-vis the cost of living. They are detrimental to the morale and dignity of old pensioners.

It is submitted that these are reasons enough to review and revise the entire Pension Act and bring it in line with that prevalent in all democratic Countries viz that pensioners who retire before a particular date when pensions are revised will be automatically compensated by a formula so devised as to bring them at parity for the rise in the cost of living index.

A comparative table highlighting the differences in pre and post January, 1973, as also pre and post April, 1979 pensions are attached at Appendix 'A'.

DISPARITY IN BASIS OF GRANT OF PERIODIC RELIEFS

Dearness Allowance, as its name signifies is related to the cost of living. Whereas in the case of serving personnel, they get proportional D.A. instalment after every 8 points price rise. retired personnel are given this benefit only after a 16 point rise. This differentiation is neither fair nor

to Government and their biggest supporters, irrespective of who formed the Government. They have always been a stabilising force in the villages and towns where they reside. Indeed they have proved to be of immense value to Society. In time of stress they are even ready to assist Government in every way possible. It was for this reason that in the past the Government paid considerable attention to the welfare and well being of the Ex-Servicemen.

The comparison of Ex-Servicemen with the civil service pensioners is not tenable because of the vast disparity in the matter of service conditions - generally these conditions are not congenial, make a mess of family life and education of the children of Defence personnel. For these great dis-advantages the pensions of Ex-Servicemen must compensate them.

In todays milieu in the Country when every facet of Society from the policeman, to the railmen to the worker have struck work and indulged in violence to obtain by coercion increased emoluments and benefits - the Armed Forces whose serving members today are tommorrow's Ex-Servicemen have remained stead-

fast and loyal. The Ex-Servicemen too have remained so. But the League would be failing in its duty if it did not bring to the notice of Government that there is a growing under current of hostility in the minds of Ex-Servicemen over the distinctions and disparity which the government is making every time it revises the Pay and Pensionary rules. As this problem concerns the future of servicemen it would not be inappropriate to say that such thoughts will if not now in due course agitate the minds of serving personnel with corresponding ill effects and results. It is, therefore, not too late yet for the Government to review the entire gamut of Ex-Servicemen's pensions in the light of the suggestions made in this Memorandum.

The Ex-Servicemen of the Armed Forces now look upto the Government with complete confidence and trust that it will give a fair and just treatment to them. This will not only help raise the morale of the Ex-Servicemen, but, will also tremendously boost the morale of Serving Soldiers (the future Ex-Servicemen), who confident in the belief that their Government and Countrymen are watching their interest, will be prepared to make still greater sacrifices.

Comparative chart showing the minimum and maximum rates of service pension plus adhoc/periodic reliefs admissible prior to 1 Jan 73, on 1 Jan 73 and on 1 Apr 79 and the difference thereon.

Rank	Position prior to 1 Jan 73				Position as on 1 Apr 79			Difference	Position as on 1 Jan 73			Position as on 1 Apr 79			Difference
	Pension	Adhoc Relief	Periodic Relief	Total	Pension	Periodic Relief	Total		Pension	Periodic Relief	Tolal	Pension	Periodic Relief	Total	
	Rs. pm.	Rs. pm.	Rs. pm.		Rs. pm.	Rs. pm.	Rs pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.
SEPOY															
Minimum (Gp E)	40	15	40	95	120	24. 00	144.00	49. 00	76	40	116	120	24. 00	144	28. 00
Maximum (Gp A)	72	15	40	127	188	37. 60	225.60	98. 60	122	48. 00	170.80	188	37. 60	225,60	54. 80
NAIK															
Minimum (Gp E)	40	15	40	95	137	27. 40	164.40	69. 40	86	40. 00	126.00	137	27. 40	164.40	38. 40
Maximum (Gp A)	81	15	40	136	220	44. 00	264.00	128.00	145	58. 00	203,00	220	44. 00	264.00	61. 00
HAVILDAR															
Minimum (Gp E)	43	15	40	98	152	30. 40	182.40	84. 40	98	40. 00	138.00	152	30. 40	182.40	44. 40
Maximum (Gp A)	91	21	44.80	156.80	266	53. 20	319.20	162.40	177	70. 80	247.80	266	53. 20	319.20	71. 40
Nb/SUB															
Minimum (Gp E)	60	15	40	115	189	37. 80	226.80	111.80	127	50. 80	177.80	189	37. 80	226.80	49. 00
Maximum (Gp A)	122	21	57.20	200.20	358	71. 60	429.60	229.40	239	95. 60	334.60	358	71. 60	429.60	95. 00

Rank	Position prior to 1 Jan 73				Position as on 1 Apr 79			Difference	Position as on 1 Jan 73			Position as on 1 Apr 79			Difference
	Pension	Adhoc Relief	Periodic Relief	Total	Pension	Periodic Relief	Total		Pension	Periodic Relief	Tolal	Pension	Periodic Relief	Total	
	Rs. pm.	Rs. pm.	Rs. pm.		Rs. pm.	Rs. pm.	Rs pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.	Rs. pm.
SUBEDAR															
Minimum (Gp E)	80	15	40	135	242	48. 40	290.40	155.40	162	64. 80	226.80	242	48. 40	290.40	63. 60
Maximum (Gp A)	178	21	79. 60	278.60	463	92. 60	555.60	277.00	308	123.20	431.20	463	92. 60	555.60	124.40
SUB MAJ															
Minimum (Gp E)	106	21	50. 80	177.80	296	59. 20	355.20	177.40	197	78. 80	275.80	296	59. 20	355.20	79. 40
Maximum (Gp A)	218	25	97. 20	340.20	546	100.00	646.00	305 80	366	146.40	512.40	546	100.00	646.00	133.60
SUBALTERN (Lt & 2/Lt	272	25	118.80	415.80	625	(incl relief)	625.00	209.20	490	(incl relief)	490.00	625	(incl relief)	625.00	135.00
CAPTAIN	377	25	160.80	562.80	850	(-do-)	850.00	287.20	775	(-do-)	775.00	850	(-do-)	850.00	75.00
MAJOR	482	25	200.00	707.00	975	(-do-)	975.00	268.00	875	(-do-)	875.00	975	(-do-)	975.00	100.00
LT-COL	587	35	200.00	822.00	1050	(-do-)	1050.00	228.00	975	(-do-)	975.00	1050	(-do-)	1050.00	75.00
COLONEL	638	35	200.00	873.00	1200	(-do-)	1200.00	327.00	1100	(-do-)	1100.00	1200	(-do-)	1200.00	100.00
BRIG	696	35	200.00	931.00	1300	(-do-)	1300.00	369	1200	(-do-)	1200.00	1300	(-do-)	1300.00	100.00
MAJ-GEN	735	35	200.00	970.00	1375	(-do-)	1375.00	405	1250	(-do-)	1250.00	1375	(-do-)	1375.00	125.00
LT-GEN	819	35	200.00	1054.00	1475	(-do-)	1475.00	421	1350	(-do-)	1350.00	1475	(-do-)	1475.00	125.00
GENERAL	840	35	200.00	1075.00	1700	(-do-)	1700.00	625	1400	(-do-)	1400.00	1700	(-do-)	1700.00	300.00